

**SPECIAL MEETING OF THE TOWN COUNCIL AND
BUDGET AND FINANCE SUBCOMMITTEE
APRIL 15, 2010**

The Budget and Finance Subcommittee of the Wethersfield Town Council held a Budget Meeting on Wednesday, April 15, 2010 at 5:30 p.m. in the Library Community Room, 515 Silas Deane Highway, Wethersfield, CT.

Present: Chairperson of the Budget & Finance Subcommittee Manousos and subcommittee members: Councilor Hurley, Councilor Kotkin and Deputy Mayor Console welcomed Town Council Chairperson Hemmann and Councilors Drake, McAlister, and Montinieri. Absent: Councilor Roberts

Also present: Jeff Bridges, Town Manager; RaeAnn Palmer, Assistant Town Manager; Lisa Hancock, Director of Finance; Phil Lombardo, President of Emergency Medical Services; Paul Dudley, Data Services Coordinator; Lieutenant Dave Scales; and Dolores Sassano, Town Clerk.

EMERGENCY MEDICAL SERVICES

Phil Lombardo, President of Emergency Medical Services, reported that EMS is staffed with 42 volunteers, a majority who are very active. The job of the EMS is to provide emergency medical services to the Town. The volunteer hours are from 6:00 p.m. to 6:00 a.m., Monday through Friday with twenty-four hour weekend and twenty-four holiday coverage. There had been issues with being able to cover those hours but that has changed recently. The department has gone from 20% to 25% online time to approximately 90%. During the day, emergency medical services is covered by Aetna Ambulance. The Emergency Medical Services also holds basic and advanced classes as they are an advanced level service.

Councilor Manousos asked if the EMS staff stay overnight in the building.

Phil Lombardo responded that the majority of the staff chose to stay in the building overnight. There is also the option to stay at home and respond from home.

Councilor Hurley asked about the coverage of the EMS.

Phil Lombardo responded that there had been an issue with coverage but that has changed. Members are more motivated and coverage is up to 90%. He is still trying to fill the extra 10% and at this time. There are people credentialing.

Councilor Manousos asked what Phil Lombardo thought the biggest challenge was for the Emergency Medical Services.

Phil Lombardo responded that it was keeping volunteers motivated to stay. Younger members

join, go through the classes and work for awhile, then find that they can go somewhere else and get paid to be an EMS. They also have college students who can only work during school breaks and summers.

Councilor Hurley asked if the compliance for response time is mandated by the State.

Phil Lombardo responded that the compliance for response time is developed by the Town with the tri-person paramedic contract and he believes it is more generous than the State. It is in the contract with the Town that was signed in 1981 and also with the current paramedic contract.

Councilor Hurley asked if the last contract with the Town was 1981.

Phil Lombardo responded that yes, it was.

Councilor Hurley asked if that contract should be updated.

Councilor Drake responded that the contract is being reviewed now by the Public Safety Committee. Councilor Drake questioned the \$10,000 electrical bill for the EMS building.

Phil Lombardo responded that while most of the heaters in the building are gas, some of the heaters are electric.

Councilor Drake noted that it may have been a better priority to have replaced the system at Emergency Medical Services than at the Fire Department where they had switched from oil to gas.

Chairperson Hemmann stated that Heather Vargas could review the heating costs. Chairperson Hemmann also asked Phil Lombardo what, if anything, could be done differently for the Emergency Medical Services.

Phil Lombardo responded that one idea is to go from volunteer to paying non-profit, i.e. paying per call or paying per shift to keep the interest.

Chairperson Hemmann asked if that would be funded as an organization.

Phil Lombardo responded that it would be funded as an organization with no liability to the taxpayers.

Jeff Bridges stated that revenue is raised through billing back through the insurance companies.

Phil Lombardo noted that the money received from the insurance companies is revenue for the EMS operating budget which is used to purchase new vehicles and equipment.

Jeff Bridges stated that EMS is not a town department, but the Town does support the building.

Councilor Drake asked if EMS could cover all the expenses.

Phil Lombardo responded that it could be explored.

Councilor Manousos asked what was collected in revenue.

Phil Lombardo responded that the income for last year was \$140,000. There is also an operating budget for the vehicles and supplies. A new vehicle was purchased in December.

Councilor Drake asked if the EMS purchased their own gas or do they use the Town garage.

Phil Lombardo stated that EMS has an agreement with the Fire Department. The EMS provides free training, recertification, or initial certification classes, CPR certification/recertification classes in exchange for fuel.

Chairperson Hemmann asked Lisa Hancock to have a cost benefit analysis done of the training versus the gas expense.

Councilor Drake asked about membership enrollment last year when the budget was being reviewed and asked if enrollment was down last year because he didn't remember it being discussed last year.

Phil Lombardo responded at that time, enrollment was increasing. The Department gives their members incentives. For instance, if members attend a meeting they are given a gift card to a local restaurant or free soda. They also offer advanced level classes to members instead of having them pay \$800-\$900 for the class.

Jeff Bridges asked how many ride consistently.

Phil Lombardo responded that consistently twenty-two ride on a weekly basis and half of that on a bi-weekly basis. They basically rely on twelve people.

Deputy Mayor Console asked if 20 people were needed to be fully staffed.

Phil Lombardo responded that 20 people were needed to be appropriately staffed without overtaxing anyone.

Jeff Bridges asked Phil Lombardo how different the twelve are this year from last year.

Phil Lombardo responded that approximately eight are the same and four or five new people.

Jeff Bridges asked when paying stipends are checks issued as the fire department does or is it gratuities and token.

Phil Lombardo responded that the stipends are issued from the Finance Department for about ten to twelve individuals who have had a good year.

Councilor Manousos asked if this salary reflects the twelve individuals.

Phil Lombardo responded that normally he is contacted in February and asked to give an estimate as to how many stipends he believes people will be receiving. Phil Lombardo noted that he did not hear from anyone this year but \$12,000 is about what he has for a number for which people are receiving a stipend this year.

RaeAnn Palmer noted that the stipends are received on July 1st for the current year.

Councilor Manousos asked if \$12,000 was for the twelve individuals together with their incentives, and the other twenty-eight just receive the incentives.

Phil Lombardo responded yes. During EMS week last year, gym bags were given out. Uniform shirts are also provided.

Jeff Bridges asked why the revenue dropped in 2005.

Phil Lombardo stated that he would need to review the call volume for that period.

DATA SERVICES

Paul Dudley, Data Services Coordinator, stated that there has been expansion in the communication area. The first program that he identified was the system administration. Information Systems oversees approximately a dozen servers. There are a dozen servers at the Town Hall, half a dozen at the police station and town garage. There is a local networks in the Town Hall, the police station, and town garage. It connects them and also provides internet services mainly out of the Town Hall building which includes general purpose internet as well as a dedicated link for MUNIS. Paul Dudley stated that the priority for all the systems is to keep them available and keep them running, performing well and keeping them safe from virus problems. Some of the activities that are involved are software upgrades, managing disc storage, setting up user accounts and managing backup.

Councilor Manousos asked the cost of having to replace the servers.

Paul Dudley responded that it is going to be about another year or two out. There is technology that might be beneficial such as virtualization, combining systems onto a single box which could reduce the power footprint.

Councilor Manousos asked for the average cost to replace a server.

Paul Dudley stated that it depends on what is being done on it. For a central server for general network management, the cost is approximately \$12,000 to \$20,000 depending on the software components including the cost of an email system.

Councilor Manousos inquired if there are any servers in-house that are not under warranty.

Paul Dudley responded that in most cases the servers are still under warranty or have a contract.

Councilor Manousos asked if everything is covered under the warranty or are there extra costs for the coverage.

Paul Dudley responded that he doesn't believe anything extra is being paid. The server operating systems are current. HP is used as the manufacturer vendor.

Councilor Manousos asked if there are any major events coming up in the next year that an upgrade will be needed. Councilor Manousos also asked if there is a complete inventory of the servers, operating system and life expectancy.

Paul Dudley stated that HP has been very good about supporting their products and are fair with the prices.

Chairperson Hemmann inquired if there is a Disaster Recovery Plan.

Paul Dudley responded that MUNIS has a very good business continuity plan involving multiple sites. Internally there is not a form of a disaster recovery plan. There is common sense back up procedures. There is not an articulated plan.

Chairperson Hemmann asked if the back ups are taken off-site.

Paul Dudley stated that it is inherently off-site because it runs over a fiber link to the police.

Councilor Manousos asked whether virtualization will give it efficiency.

Paul Dudley responded that it has taken advantage of wasted CB cycles on a single box. You can put several running systems on one set of hardware and the efficiencies would be eliminating the number of boxes, power that is being used and amount of air conditioning and heating.

Councilor McAlister asked if a cost benefit analysis had been done using a third party such as IBM, and using their data centers that have a DR in place.

Paul Dudley responded that a cost benefit analysis has not been done.

Councilor Drake asked why the salary increase in this department was high.

RaeAnn Palmer responded that there were two furlough days this year, and a step increase per union contract.

Jeff Bridges added that the general wage increase is for two individuals and there is a four percent split twice.

Councilor Drake stated that the increase should be reviewed because a 7% increase cannot be expected next year.

Jeff Bridges stated that it depends on the value of the step and the value of the general wage increase.

Paul Dudley reported that there is an inventory of about 150 PCs, 20 laptops, and they are replaced on a sustainable cycle. The current request is for 15 systems which is about 17% of the fleet. It translates to a seven year refresh cycle, which is a lot longer than what should be done. Paul Dudley added that within the Town there is a lot of specialization and a lot of support that is done and is more about the applications. Paul Dudley responded that a third party would not be able to cover those kinds of things.

Jeff Bridges stated that one of the goals of the Shared Services Committee is to merge the IT functions of the schools, the Board of Education, and the Town so the efficiency of working with a third party is beneficial. Jeff Bridges also stated that there are about 400 PCs.

RaeAnn Palmer asked if the computers are refreshed every four or five years.

Paul Dudley responded that the seven year cycle is not a decided policy and recommended that it should be a three to five year cycle.

Chairperson Hemmann inquired on the status of training and whether everyone is efficient with Microsoft Office.

Paul Dudley responded at this time 60% of the Town is using Windows 2003 and 40% is using Windows 2007.

Chairperson Hemmann asked if applications are used within the departments for different business needs, Excel, Word, Power Point.

Paul Dudley responded that most people use the computer for memos and correspondence. The use of other applications varies within departments. Access is used the least. Paul Dudley reported that there is a round of replacements coming in and will be targeted to where the need exists, particularly users of new ESRA software as it has some performance demands. Paul Dudley reviewed Enterprise Operations. The major development effort in this area is with JAS migrating to the ESRA product. There has been a lot of data development to pull it together. Paul Dudley stated that he has done quality control on it and has created some new data and is in the process of training people on the software.

Councilor McAlister asked if the Enterprise Operations are custom or off the shelf.

Paul Dudley responded that they are not in-house. There are a few small applications, but mainly commercial software products.

Councilor McAlister noted that salary and wages is for \$70,000 for off the shelf products.

Paul Dudley stated that off the shelf is not for municipal products.

Councilor McAlister asked what the salary and wages go towards and if the software is installed by the company or by him.

Paul Dudley responded that Bill Holler or Thomas Hemphill will spend time at the police station supporting their systems.

RaeAnn Palmer added that updates are being done for the CAT system in all the fire houses.

Paul Dudley noted that as time goes on more work is done with data manipulation and merging. There is a general trend towards electronic users. He noted another new application that is being used is the CCROG online permitting. This will provide online access for building permits. It will be the same for all member towns so a contractor can sign on in different towns and know that it is the same process. It also has a back end data application for managing permits internally. Paul Dudley discussed the Town's website which provides a service to the public. The site gives people information about municipal services, what's happening in Town Government, posting minutes, agendas, calendars and comments. Residents can pay taxes online and register for events through Parks and Recreation on line.

Councilor Drake inquired about the cost of maintaining the Town website at \$65,000.

Paul Dudley responded the cost includes what has to be invested to maintain the on-line services and the server. The cost covers more than maintaining the web page. Paul Dudley added that the importance of the website is the first place someone is going to look to find out about Wethersfield. It also reminds the citizens that local government is doing something for them. He discussed the last category which is a catch-all of communication systems, phone, radio and audio visual. He noted that he has been coordinating service on the phone systems since Gary Santoro retired as Fire Marshal. A number of changes have been made to improve voice menus and call groups. On the radio side, the Town has been rebanding a big project. He has also spent a lot of time with reprogramming radios to get ready for the frequency cut-over when it happens. With the audio and video and the council chamber renovations, they are now able to cover live Town Council meetings, Board of Education meetings and Commission meetings. There is also new software that is used for Channel 16.

Chairperson Hemmann asked what could or would he do differently.

Paul Dudley responded that he would like to bring more organization and discipline to the work.

Councilor Drake asked in terms of more things being done and assuming there won't be any additional help in the department, what would be addressed first.

Paul Dudley stated that he felt there was a better understanding with working in-house because it gave a better work product. In-house understands what the Town is doing, what it does and what matters. Paul Dudley suggested spinning off the phone or radio. He also noted that older systems are being retired which clears some room.

Councilor Drake asked about the Cloud System and asked if this was a possibility the Town could look into.

Paul Dudley said it could be.

Councilor McAlister asked in addition to the server issues, what additional increases in expenses did he see in the following year.

Paul Dudley responded that he felt the server should be addressed in the next three years and the department is still benefiting from the renovations in terms of the network structure.

Councilor Montinieri asked about the possibility of remote dial in.

Paul Dudley felt that the Town would continue software licensing.

RaeAnn Palmer noted that if the Town is to fully develop some of the software to be implemented like GIS or the building permit software, there are a couple of things that will need

to be looked at. If GIS is used properly, all information collected on a piece of property should be tied into the GIS so ultimately an analysis can be done or information can be found using the GIS software. Links will need to be made between the existing software for the assessor's database and the police software. She said that the Town is nowhere near doing this yet. RaeAnn Palmer also noted that to fully implement building permit software, the town will need to look at I Pads or Think Pads for the building inspector's cars. She also noted that fiber connectivity between the buildings and the radio tower to the police station will need to be reviewed.

CENTRAL SERVICES BUDGET

Lisa Hancock reported that Central Services' budget encompasses the telephone and communications with the Town for system wide charges for those services, the centralized copy charges, and the centralized postage charges as it relates to every department within the Town. She reported that with regards to the copy and binding portion of the budget, a few years back she went out to bid for all the copy systems and looked at leases with different vendors and was able to substantially reduce the cost of service charges for leasing the copiers. She was able to get everyone onto one product which reduced the cost of copying throughout the system as well as to have a high impact processing copier for the Town Hall's copier room. The copy budget has a minor increase due to being in the lease for the machines at the staple price and the cost of paper has been rising.

Councilor Drake asked if anything was being done with the copier leases for the schools.

Lisa Hancock stated that she discussed it with the Director of the schools at that time, who preferred to go through a different source.

Councilor Drake commented on the number of copy machines at the Board of Education.

Councilor Hurley asked if the online services would reduce paper cost.

Lisa Hancock responded that she hoped it would.

Councilor McAlister referred to Salary and Wages and asked if any money is paid towards maintaining ATT and Nextel.

Lisa Hancock responded that when the Finance Department is reviewed, there will be a portion broken out for the Central Office Services.

Councilor Kotkin inquired about the postage machine leased out at \$11,000 and postage at \$11,000.

Lisa Hancock responded that a portion of that has to do with a particular product for the tax bill process this year and this will be eliminated. The reduction is shown, but there has been an increase in postage.

Councilor Drake noted that New Britain does not send out tax bills.

Lisa Hancock noted that they are looking for software that will have the potential to electronically transmit tax bills and that may help in postage and paper costs.

Councilor Kotkin asked if the tax bills can be emailed.

Lisa Hancock responded that emailing cannot be done at this time. The remainder of the budget deals with the meter lease and supplies that go with it.

Jeff Bridges asked if the library postage is included in the Town's postage.

Lisa Hancock responded that some of the library's postage is covered by the Town but not the bulk of it.

Jeff Bridges asked about the Central Connecticut Health District.

Lisa Hancock responded that the health district reimburses the Town for their copy charges, postage charges, and health insurance and any benefits that they participate in.

Councilor Drake asked if the Town letterhead can be run through the computer.

Lisa Hancock responded that the quality is not very good.

Lieutenant Dave Scales reported on the wireless phone service/messaging. The bulk of the cellular and wireless is provided for police, fire staff, fire command personnel, and selected or identified department heads. There are also items for two paging services, one for CREST services, which is a regional SWAT team that needs a certain type of paging, and the other paging service is primarily for physical services personnel with a small amount for Nextel accessories and replacements.

Lieutenant Scales reported that the second item of the Regional Public Safety Network is comprised of two items. The bulk is for Capital Region Council of Government (CRCOG). Each one of the cruisers has a computer and the \$15,000 pays for the licensing, maintenance and wireless costs. The officers have the ability to run license plates and check for wanted persons, missing persons, and retrieve Department of Corrections photographs. The \$1,800 is for the State of Connecticut Department of Public Safety – COLLECT – Connecticut On-Line Law Enforcement Computer Terminal which is the link to the State Police, Department of Motor

Vehicles and the FBI. This gives the ability to run a person's name to see if they are wanted or missing or if a car has been reported missing.

Councilor Drake asked why costs were down.

Lieutenant Scales responded that there were several air cards which are no longer necessary.

RaeAnn Palmer asked if the air cards are still used for the Fire personnel.

Lieutenant Scales noted that the air cards were just for the police.

RaeAnn Palmer commented that she believed that the \$18,000 included three air cards for the Fire Department.

Councilor Hurley asked if fees for Nextel service was more expensive than ATT cellular service.

Lieutenant Scales responded that it increased from \$14,000 to \$20,000. There was a changeover from ATT because Nextel offered a \$100 credit per user, which was about \$6,000, so that is the reason it was \$14,000 last year. He noted there were approximately 62-63 users and about 47 of those users are from the police department. They have the Direct Connect only.

Councilor Manousos asked if there were any plans to change the phone systems.

Paul Dudley responded that the question will be with building the infrastructure in the town to support it.

Councilor McAlister asked if it would be a three year road map.

Paul Dudley responded yes in order to do a design and infrastructure on installation.

Councilor Drake asked if it could be outsourced.

Paul Dudley responded that it could be contracted out. He noted that most of the expense will be on the Desktop rather than the back end system.

Chairperson Hemmann noted that the Library, the school system and the Town each have their own phone systems and are not compatible with each other. There has been resistance in coming up with a standard model or format, but it may need to be considered.

Jeff Bridges noted that Fred Bushey, Supervisor of Facilities and Maintenance for the Board of Education, is on board with a new telephone system. The first thing in connecting the building is to find the capital to build it on.

Chairperson Hemmann stated that the Town cannot accept the separate resistance in moving into the direction of one system, especially the Library who continues to resist a change.

Jeff Bridges noted that Paul Dudley has asked for \$15,000 to start the plan for the BOIP and that is not funded at this point.

Paul Dudley noted that the money would go towards the design process and to find out what needs to be done.

Councilor McAlister asked if he did not have the expertise then a consultant would need to be hired.

Jeff Bridges noted that RaeAnn Palmer brought to his attention that the \$3,000 to support the fire department's wireless card is not in the budget and will need to be added back in.

RaeAnn Palmer noted that she will confirm with the Fire Chief that the air cards are still needed.

TREASURER

Lisa Hancock reported that the Town Treasurer is part of the Town's Charter and it is a requirement of the Charter to have a Town Treasurer. The Town has a Treasurer and a Deputy Treasurer and the annual salary is \$3,000 and is shared equally. They participate in the social security alternative plan. Deputy Treasurer, Harry Lichtenbaum who is also employed by the State of Connecticut, is entitled to apply for unemployment compensation when the Legislature is out of session. Unemployment has come after the Town of Wethersfield as Harry Lichtenbaum's employer and the Town has to participate in paying part of his unemployment, even though he is still employed with the Town of Wethersfield. There is approximately \$600 added to the budget to account for the potential of unemployment if that comes up next year. Lisa Hancock also noted that due to IRS rules regarding an individual contractor versus an employee, he is considered an employee and cannot be given a 1099. Lisa Hancock stated that checks are not signed because she has implemented an electronic signing system, but there is a warrant which shows what we are issuing in checks and they will approval the warrant for payment. They will also come in to sign bond documents for bond sales. She noted that the functions of the Treasurer are handled under her office, including the cash management.

FINANCIAL CONTROL AND ADMINISTRATION

Lisa Hancock reported that the Finance Department is comprised of several different programs. The biggest part of the operation is the accounting and analysis and doing the financial analysis monthly, quarterly projections, budget projections, fixed asset reporting and oversight and maintaining all the records and financial recordings associated with that. Also included is the debt management, the issuance of debt and everything related to that process, payments to

vendors for all goods and services, budget revenues, expenditure oversight and financial policy development. She reported that invoices are pulled and she will go down to Physical Service unannounced to request to see the items. If the items are not in stock, she will request to see the work order and track it.

Councilor Kotkin asked if in terms of operations, for any department that has cash is there a separation of duties as part of the operations that is being instituted.

Lisa Hancock responded that the problem before was that there was not a segregation of duties. Some things were changed that allowed an individual to be able to order, check in, as well as maintain items. Now, mechanics order certain items, clerical staff put the purchase order requests into place as well as maintain the check that the item has come in and then the supervisor signs off on the receipt. The system has been tightened up. All physical inventories that are a fixed asset has now been tagged, identified, and are electronically filed.

Councilor McAlister questioned the \$10,000 increase in salaries and asked if that was for all three positions and if there were contractual union obligations.

Lisa Hancock responded that it was an increase under contractual union obligations, with the exception of her.

Councilor McAlister asked if a four percent increase was given to the other department heads.

Jeff Bridges responded that department heads are at two and one-half percent.

Lisa Hancock noted that the increase appears to be higher because of the two furloughs.

RaeAnn Palmer also noted that there had been increases given in the beginning of this year that were not in the budget.

Councilor McAlister asked if there was any money in the budget that was used to hire consultants for the finance work.

Lisa Hancock responded that no consultant is used for the finance work, except for the expense of the auditor.

Jeff Bridges noted that the unionized managers are at the top of the department heads with salaries, so in order to keep the separation something is budgeted every year for non-union department heads.

Lisa Hancock reported that she had looked into outsourcing accounts payable and payroll. She found it was more cost beneficial to keep payroll in-house as that person has responsibilities in

addition to payroll. When she looked into outsourcing Accounts Payable, companies felt the Town operation was too small to take on.

Councilor Manousos requested a copy of the cost benefit analysis done last year.

Councilor Kotkin asked Lisa Hancock what she currently does on behalf of the Board of Education and the Library.

Lisa Hancock responded that she has been doing a lot for the Board of Education. Over the past year, she has been working with the Board of Education in trying to get their educational grants reconciled and their financial reports balanced. She has also worked on school construction projects, school construction grants, working with a consultant that was hired by the Board Education, on the Pro 49 reports filed with the State of Connecticut, and assisted in putting together numbers for their EEOO1 report. She also was involved in the implementation of their financial software. Presently she is the person that they go to if there is a question on their financial system.

Councilor Drake asked if the school grant issues have been resolved.

Lisa Hancock responded that it is almost complete. She also stated that presently she is floating \$150,000 in the general fund for one of the projects and explained that a lot of it had to do with ineligible costs that had not been expected.

Councilor Drake inquired if the issue with the Charles Wright roof had been resolved.

Lisa Hancock responded that the issue with Charles Wright had recently been resolved. She noted that she is also the go-to person for pension plan questions and self insurance funds for the Board of Education.

Councilor Kotkin asked if the Finance Department runs the payroll or pays the bills for the Board of Education.

Lisa Hancock responded that her department does pay some of their bills. Because they share a combined database, for the Board of Education's share of the financial software fees, one check is issued and the Board of Education's account is charged for their portion.

Councilor Kotkin asked about back charges.

Jeff Bridges responded that the Board of Education is not charged back charges, but that they are charging the Town back charges.

Councilor Kotkin asked that because the Town pays \$20,000 a year for the Board of Education's building, do they have use of the building at night.

Councilor Manousos asked Lisa Hancock that going toward shared services, are there functions that her department handles now that would later need a structure change.

Lisa Hancock responded that to get into a combined unit, there is going to be payroll operations and accounts payable operations. They are the same, but they are different. Before making any changes, the town will have to try to combine services and then work together and then see if people can be used elsewhere or combine operations so that there is better efficiency.

Councilor Manousos noted that there have been discussions on shared services, and asked if anyone has done anything about it.

Lisa Hancock responded that there have been discussions with council members and it is something that they would like to see happen but there hasn't been any formal discussion, except for data services.

Lisa Hancock also noted that union contracts state that unless a unit is being eliminated all together it cannot be outsourced.

Councilor McAlister noted that in other departments he has asked for a matrix. A matrix would be helpful in the Finance Department, but not for behind-the-scene departments.

Jeff Bridges noted lost prevention, lost control, accuracy on estimates, and showing efficiencies.

NON-DEPARTMENTAL

Lisa Hancock reported on the amount that was transferred out in each year. Budgets have been averaging \$340,000 a year. In 2005 and 2006, the budgets were around \$395,000 and the Town started cutting that back. They have been staying around \$340,000 for contingency needs which accounts for unforeseen emergencies and snow removal. In the snow budget, they try to cut down on what is being budgeted for the salt and sand and depend on this account if there are any additional needs. It acts as a buffer. The Town Council had adopted a financial policy several years ago where the minimum recommended amount of contingency should be about .4% of the Town's general fund budget and this falls within those limits.

Councilor McAlister discussed transparencies and letting people know where their money is going. He referred to the 1996 Bond issue and 2001 Bond issue. Councilor McAlister suggested posting on the Town's website where people's tax dollars are going and being able to show the portion of their tax bill that is being paid towards the 1996 Bond issue or the 2001 Bond issue.

METROPOLITAN DISTRICT

Lisa Hancock reported that the MDC budget is comprised of two items, a requirement by the MDC and a commitment to pay for the Housing Authority sewer charges. Part of the budget includes funding for that operation, but the majority of it relates to our annual tax warrant for the MDC. In the current budget and last year's budget, the rate has gone down. MDC has taken some efforts to make changes in operations in trying to bring down the cost. This year, the budget number went from \$2,578,000 to \$2,518,000 so there is a savings this year.

Councilor Drake asked about the MDC bonding issue.

Chairperson Hemmann responded that there will be another bond referendum coming up in 2012. The water assessment currently on our water bill is part of the Clean Water funding. As of 2012, \$800 million will have been expended.

Councilor McAlister asked why it is being estimated at \$2,516,000 on page C-1 but estimated at \$2,518,000 on page 79.

Lisa Hancock responded that it is the actual budget.

RESERVED RETIREE

Lisa Hancock reported the total overall budget for this area is \$822,300 and part of this account includes funds that are set aside for retirements, where there are payouts that are usually not budgeted within a department. She stated that if someone retires that they are unaware of, there are certain payments with regards to union contracts, and benefit entitlements. An amount has been put into the budget to compensate for those needs. Lisa Hancock also stated that there is \$15,000 for a public works study. Lisa Hancock discussed heart and hypertension. The Town's liability this year is estimated to be at \$100,500. There are separate funds from the heart and hypertension which have to do with firefighters and police officers that fall under the old heart and hypertension clause where if there is a heart attack, heart issues or high blood pressure, they are covered like a workers' compensation. The Town does have some current liabilities within that area and the funds are set aside to pay for their liabilities. A portion is due this year for a negotiated settlement as well as an ongoing matter. She discussed retiree medical benefits. The cost actually shown is lower for some of the areas. She stated that they are hoping to use \$50,000 from the reserved fund balance in health self insurance fund to help offset some of the health insurance costs this year. She stated that they are anticipating less claims this year so there are the budgeted funds that went into the account based on the policy and there will be an excess that will grow in there that hopefully they will be able to use some of that money to offset the cost for next year. Lisa Hancock stated that \$50,000 of those funds is requested in the numbers here rather than across the board.

Councilor Hurley questioned why they felt people are going to be healthier this year than last year.

Jeff Bridges stated the estimate is taken from Anthem Blue Cross and Blue Shield's projection of usage and based on the trends so far this year, there is going to be money left over that will be allocated to next year's premiums.

Councilor Hurley asked if anyone is monitoring the number of retirees.

Lisa Hancock responded that they do monitor retirees but there are people coming off due to deaths and some coming on due to retirement.

Lisa Hancock reported that there has been a reserve on gas funding. It has been a difficult year to put funds in, and they do have a pay-as-you-go.

INSURANCE

Lisa Hancock introduced Greg Bedula who is the Town's current agent of record. Greg Bedula reported that the commercial insurance comes up for renewal on July 1 and the Town's insurer is CIRMA, a quasi governmental insurance company that was backed by the State of Connecticut twenty-five years ago and he explained that CIRMA was formed to give stability to the marketplace. CIRMA has offered commercial insurance renewal, which is comprised of general liability, property insurances automobile, excess coverage for disaster, school board leaders' errors and omissions, public officials' errors and omissions and police professional errors and omissions and workers' compensation.

Councilor McAlister inquired why this company is being used over using multiple places.

Greg Bedula responded that options are reviewed every three years but presently there are not a lot of options. The Travelers Insurance has recently gotten into the municipality insurance coverage in Connecticut, but it does not include all of the coverage.

Lisa Hancock stated that a comparison can be made of what Greg Bedula has handed out to her spreadsheet, which gives the same information.

Councilor Hurley asked Greg Bedula what other towns he represents.

Greg Bedula responded that he only represents Wethersfield for TD Bank.

Councilor Drake asked if the insurance covers the errors and omissions with regards to the Board of Education issue.

Greg Bedula responded that Jeff Bridges has already inquired about that same issue and the

problem is that there has to be a claim for monetary damages. The Town, who is the insured, cannot make a claim against the Town.

Greg Bedula explained the handout reflects two different groups with the town, one of which is general government, which includes everything but the Board of Education.

Councilor McAlister commented on the inability to get another quote without losing the quote we have at this time with CIRMA.

Jeff Bridges noted that if Travelers were to come back stable, it may be worthwhile to give up the remaining two years of the three year deal.

Greg Bedula commented on a problem he has seen in the past when someone leaves to go with another company, a short time later that company is no longer in business. He stated that municipalities are tough to insure and CIRMA will make them pay a higher rate when coming back to them.

Chairperson Hemmann asked if the guarantee was only if the Town went to bid this year would it eliminate the deal.

Greg Bedula responded that CIRMA will quote us, but they will not guarantee the quote.

Chairperson Hemmann asked about workers' compensation losses and the ability to correct some of the problems, but this year there are also a number of workers' compensation claims on the Boards' side, is that something that CIRMA is correcting.

Greg Bedula noted that there are not a lot of claims on the workers' compensation side, but that there were a couple of large claims and are not similar in nature. Greg Bedula also noted they have reviewed property deductibles from \$5,000 to \$10,000 and there are concerns about paying for that. To go up to a higher level, the premiums savings did not make sense. They have looked at deductibles from \$10,000 to \$50,000.

Jeff Bridges noted that this issue will come to council for approval for the renewal of the three year deal.

MEDICAL INSURANCE

Lisa Hancock referred to her handout to show how the budget was developed with what Chris Monroe will be discussing. Lisa Hancock reported that at this time, the Town has \$2,469,000 on the Town side going into this year's budget and the Board has approximately \$6.9 million on their side.

Chris Monroe, of Anthem is the agent of record for the Town's health insurance. Chris Monroe

explained the three pieces of the pie and the biggest piece represents about 90% of the overall costs. Ninety cents of every dollar is actual claims incurred by employees and their dependents and the remaining 10% is the fixed costs for what Anthem is paid to run the plan. He had a detailed look back at the expenses. The results over the years, in reality, has been better than Anthem projects, they still trend close to 10%, better than projected. If Blue Cross is wrong the money stays in our bank account only reimburse the expenses.

At this point the tape stopped, there is the information presented in the form of a handout at the meeting by Mr. Monroe. In the addendum.

ADJOURNMENT

At 9:27 p.m., Councilor McAlister moved "**TO ADJOURN THE MEETING**" seconded by Councilor Hurley. All Councilors present, including the Chairperson voted AYE. The motion passed 8-0-0.

Dolores G. Sassano
Town Clerk

*Approved by vote of Council
May 17, 2010*